

Advances in Community Services Research

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Financial Management Training for Micro, Small, and Medium Enterprises (MSMEs)



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	ABSTRACT
<p>Keywords: financial training; MSMEs; financial literacy; financial technology; business sustainability</p> <p>Conflict of Interest Statement: The author(s) declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.</p> <p>Copyright © 2026 The Author(s). All rights reserved.</p>	<p>Purpose: This study aims to explore the dynamics of financial management training for Micro, Small, and Medium Enterprises (MSMEs), focusing on training trends, approaches used, the suitability of materials to participants' needs, and their impact on business capacity and sustainability. The study also emphasizes the role of technology and identifies challenges and gaps in training implementation.</p> <p>Research Design and Methodology: This study uses a qualitative approach with the Systematic Literature Review (SLR) method. The analysis was conducted on scientific publications over the past ten years that discuss financial management training for MSMEs, identifying common themes, training approaches, and technology integration.</p> <p>Findings and Discussion: The results of the study show that training has shifted from a generic model to a contextual and specific approach. The most relevant training materials include simple financial record-keeping, cash management, the separation of personal and business finances, and basic taxation. Technologies such as digital accounting applications and e-learning enhance training effectiveness, although challenges related to digital literacy remain high. Training also increases confidence, access to financing, and more orderly financial practices.</p> <p>Implications: This research contributes to the development of needs-based, participatory, and sustainable training designs. In practical terms, the results can be used by the government, NGOs, and financial institutions to design more effective and MSME-specific financial training.</p>

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the economy in many developing countries, including Indonesia. Their contribution is not only significant to the gross domestic product (GDP), but they also play a central role in job creation, poverty reduction, and equitable economic development. Data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) shows that in 2022, there were more than 64 million MSMEs in Indonesia, which absorbed more than 97% of the national workforce and contributed 61% to the national GDP. Despite this enormous potential, MSMEs still face various structural and managerial obstacles, particularly in financial management. Many MSME players do not yet have the basic skills to record transactions, prepare financial reports, manage cash flow, and make data-driven financial decisions (Hayati et al., 2025). This lack of financial readiness can lead to difficulties in accessing financing from formal financial institutions, vulnerability to business decision-making errors, and a decline in

the long-term competitiveness of MSMEs. The main problem often found in the field is low financial literacy and skills among MSME players (Rasjid & Hadju, 2024). A study by OJK (2023) shows that the financial literacy index for MSME players in Indonesia stands at 38.03%, far below the expected target to encourage financial independence among business players. This lack of understanding has an impact on the low quality of financial management, limited access to credit facilities, and weak business resilience to economic crises. The inaccessibility of formal training and the lack of appropriate training resources for MSMEs pose structural obstacles to the capacity building of business actors.

In recent years, various studies have highlighted the importance of financial management training for MSMEs' success. Financial literacy, which includes knowledge, awareness, and skills, is an important factor in improving access to financing and business performance (Rekha et al., 2024). This literacy also encourages rational decision-making and sustainable business practices among micro entrepreneurs (González-Prida et al., 2025). In addition, financial literacy, financial technology adoption, and financial inclusion have been shown to positively impact MSME performance (Gunawan et al., 2023). Training focused on financial aspects can strengthen MSMEs' overall financial condition, including access to financing (Rekha et al., 2024). Empirical evidence also shows that appropriate training can improve employee skills and overall organizational performance in the MSME sector (Anuradha & Ramesh, 2020). Employee training and internal control systems have been shown to positively impact financial management in SMEs (Oyelakin & Abdullahi, 2022). Therefore, a comprehensive understanding of financial strategies is crucial for MSMEs to navigate business dynamics and support economic growth (Nanda et al., 2023). Several studies have also designed financial training models and assistance modules relevant to the needs of micro and small businesses, such as simple recording and bookkeeping (Rohayati et al., 2023). In the digital era, MSMEs are also required to adapt to new financial technologies such as Fintech and Blockchain, which are increasingly important in financial innovation (Firasati et al., 2024). Other studies emphasize the importance of behavior, attitudes, and the use of banking products in improving the financial performance of MSMEs (Setiawati et al., 2025), as well as the need for training in credit, financial management, and taxation (Zhouyi Zhai, 2025).

Although various studies have shown that financial management training positively impacts financial literacy, business performance, and the technological adaptability of MSME actors, there remain gaps that need to be addressed, both empirically and theoretically. Empirically, most prior studies have focused on the direct effects of training on financial literacy or performance. However, few have examined in depth the relationship among training methods, training content, and the relevance of the material to the specific needs of MSME actors across sectors and regions. In addition, there have been few studies that systematically evaluate the long-term effectiveness of financial management training in enhancing the resilience or sustainability of MSME businesses, especially during economic crises or periods of uncertainty. From a theoretical perspective, the approaches used in previous studies are generally fragmentary and have not integrated financial behavior, internal control, and technology adoption into a comprehensive training framework. This indicates a limitation in the holistic understanding of how financial management training can be strategically designed to address the multidimensional challenges faced by MSMEs. In addition, there has not been enough systematic literature synthesis to identify the most effective training trends, approaches, and outcomes across studies.

This study presents a novel approach by adopting a Systematic Literature Review (SLR) to comprehensively synthesize the latest findings on financial management training for MSMEs, which have been scattered and not yet integrated into a comprehensive analytical framework. Unlike previous studies that tended to discuss specific aspects in isolation, this study offers an original contribution by identifying patterns, trends, and gaps in the design, implementation, and impact of financial training, drawing on scientific literature published in the last five years. This study also highlights the integration of training materials with the specific needs of MSME actors, including financial literacy, financial behavior, the use of financial technology, and internal control aspects that have not been addressed in previous studies. Therefore, the main objective of this study is to present a systematic mapping of effective, relevant, and contextual financial management training

approaches to serve as a foundation for the development of more adaptive and sustainable MSME training programs in the future.

Literature Review

Human Capital Theory

Human Capital Theory is a theoretical approach that explains how individuals or organizations can increase their economic value by investing in education, skills, and training to strengthen work capacity and productivity. This theory was first introduced by Becker (1964) and has since become an important foundation in human resource economics studies. In Human Capital Theory, human capital is understood not only as physical labor but also as the accumulation of knowledge, technical expertise, cognitive competencies, and personal attributes that can be developed through education and work experience (Aman-Ullah et al., 2022). Human capital is viewed as an intangible asset that can generate economic benefits for both individuals and organizations. Therefore, investment in human resource development is considered a form of long-term investment that can drive economic growth, innovation, and organizational efficiency.

The concept of Human Capital Theory places training and education as crucial elements in improving individual work capacity. Through skill enhancement, individuals can access better job opportunities, make more rational economic decisions, and increase productivity in the work environment. Molosiwa & Holland (2025) emphasize that, in the context of a competitive modern society, an individual's added value is not only determined by physical assets or work experience, but also by the extent to which the individual can develop and utilize their intellectual capital. This theory also underlines that human capital is not formed instantly, but through a continuous and systematic process, including formal education, technical training, mentoring, and accumulated practical experience. Musthafa et al. (2024) stated that human capital is a central element in increasing the competitiveness of MSMEs, as the quality of trained human resources affects the resilience, flexibility, and adaptability of businesses to changes in the business environment.

Furthermore, Human Capital Theory holds that organizations that actively invest in employee training and development will experience a significant performance increase. Aman-Ullah et al. (2022) found that organizations that implement human capital strengthening strategies, such as internal training, leadership development, and competency-based performance evaluations, achieve better results in innovation, process efficiency, and customer satisfaction. This shows that human capital development not only benefits individuals but also provides competitive advantages for organizations that implement it. In addition, Xu & Jiang (2024) highlight that an individual's economic knowledge and literacy will determine the quality of decisions in the context of entrepreneurship and consumption. In this view, human capital becomes an important mechanism in supporting knowledge-based economic development. Human Capital Theory also has significant implications for economic inclusion and social mobility. According to a study by Khan et al. (2025), investment in education and training is positively correlated with people's access to financial services and economic opportunities, especially among the lower-middle-income group. In this context, human capital serves as a bridge, reducing inequality and strengthening society's economic structure. This research indicates that improving cognitive and technical capacity through training can make it easier for individuals to understand risks, plan their finances, and access previously unattainable economic resources. In addition, the results of a study by Struckell et al. (2022) confirm that human capital development has a multiplier effect on the ability to adopt technology and engage in the digital economy, which is now a new foundation in the global economic system.

Micro, Small, and Medium Enterprises (MSMEs)

Micro, Small, and Medium Enterprises (MSMEs) are generally defined as productive business units that are independently managed by individuals or groups, with criteria related to the number of employees, assets, and annual turnover stipulated in each country's laws and regulations. In Indonesia, the definition of MSMEs is set out in Law Number 20 of 2008, which distinguishes among micro, small, and medium categories based on asset value and annual sales. MSMEs play a crucial role in economic development because they can absorb large numbers of workers, distribute income more evenly, and

build local economic resilience. According to Martono & Febriyanti (2023), MSMEs not only serve as the driving force of the people's economy but also as a strategic instrument in strengthening an inclusive national economic structure. In developing countries, MSMEs are often the first choice for people to start economic activities due to the ease of licensing, relatively low capital requirements, and operational flexibility. However, the significant role of MSMEs has not been matched by adequate institutional capacity and systemic support, leaving many still in the informal category and vulnerable to economic shocks.

As numerous and widespread economic entities, MSMEs have unique and diverse characteristics. On the one hand, the advantage of MSMEs lies in their ability to adapt quickly to market changes and their flexibility in responding to local consumer needs. On the other hand, limited access to capital, technology, information, and skilled human resources poses a serious challenge to the sustainable development of MSMEs. Research by Wulandari (2025) shows that most MSMEs in Indonesia still operate conventionally, with simple recording systems, manual production management, and limited marketing strategies. This results in relatively low SME productivity and an inability to compete in broader markets, both nationally and internationally. In addition, a study by Anggriani et al. (2023) reveals that SMEs are still dominated by traditional sectors such as retail trade, food and beverages, and handicrafts, which tend to grow slowly and are not integrated into the global value chain.

The existence of MSMEs cannot be separated from the support they receive from ecosystems, such as government policies, financial institutions, training institutions, and digital technology. Wulandari (2025) and Kamboja (2025) emphasize that although MSMEs have strong growth potential, many are still constrained by internal capacity limitations and a lack of synergy with external institutions. In their study, MSME actors were often found to lack technical training, managerial assistance, and sustainable empowerment programs. In fact, to encourage MSMEs to move up the ladder and contribute more to the national economy, comprehensive, planned interventions are needed. Meanwhile, Koskelainen et al. (2023) underline the importance of digital transformation in driving efficiency and innovation in the MSME sector. They state that digitalization, when combined with increased human resource capacity, can improve operational efficiency and expand market reach. However, the digital readiness of MSMEs remains a challenge, especially among business actors who lack access to adequate technology and digital literacy.

Financial Management

Financial management is a strategic process of planning, organizing, directing, and controlling an organization's or business entity's financial activities to achieve efficiency, profitability, and business sustainability. This definition encompasses various aspects, including investment decision-making, financing, working capital management, and financial control. According to Nkwinka & S.A (2023), financial management is not only related to financial recording activities, but also includes the ability to read financial situations, project future financial conditions, and optimize resources to generate added value for the organization. They emphasize that implementing a sound financial management system will strengthen the decision-making process and minimize unnecessary financial risks. In practice, financial management is at the heart of an organization's economic system because all operational activities ultimately have financial implications that must be managed carefully and responsibly.

In modern organizational management, financial management has evolved from an administrative to a more strategic and analytical role. Sooriyakumaran (2022) states that technological developments and global market pressures have encouraged financial management to function not only as an internal control tool but also as an instrument for mapping business growth and increasing competitiveness. He highlights that implementing systematic financial management practices—such as budgeting, cash flow management, and financial performance evaluation—can improve operational efficiency and strengthen the company's position amid market uncertainty. In addition, Adda (2020) shows that the success of financial management depends heavily on the capacity of the individuals who carry it out, so it is important to improve human resources' competence in understanding and applying financial principles appropriately. This means that financial management is not just a matter of technique or tools, but rather a structured framework for managing an organization's assets and liabilities.

The importance of financial management also lies in its ability to maintain cash flow stability and ensure operational continuity. Widasari et al. (2024) explain that without sound financial management, organizations are prone to liquidity shortages, resource allocation errors, and default risk. They cite many cases in which business entities that appeared to be growing operationally actually failed due to weak financial controls and planning. Therefore, fundamental aspects such as transaction recording, budget planning, and monitoring of fund usage are key components in the financial management structure. The emphasis on the predictive function of financial management is also conveyed by Koskelainen et al. (2023), who state that, in the digital era, the role of financial management must transform by leveraging analytical technology to predict trends and risks and to design adaptive strategies based on data. This approach emphasizes that financial management is not only reactive to current conditions but also proactive in developing scenarios and designing long-term responses grounded in sound financial analysis.

Financial Management Training

Financial management training can be defined as a systematic process to improve the understanding, skills, and abilities of individuals or groups in managing financial aspects effectively, including recording, planning, monitoring, and making information-based financial decisions. The main objective of this training is to equip participants with relevant competencies to improve the efficiency of financial resource management and create healthy financial behavior oriented towards business sustainability. Molosiwa & Holland (2025) state that financial management training is not merely a transfer of technical knowledge, but also includes strengthening awareness, mindsets, and behaviors that support appropriate decision-making in a financial context. In their study, training is highlighted as an important component of financial capacity building, which can lead to significant changes in participants' understanding and financial management practices, especially among small and medium-sized enterprises.

The emphasis on this training also reflects the urgency of practical and contextual financial education that participants can more easily adapt from diverse backgrounds. Furthermore, financial management training has evolved into an empowerment-based intervention strategy that is considered effective in improving financial literacy and management practices. Edwy et al. (2023) reveal that interactive, practical training can help participants understand the basic functions of financial management, such as recording transactions, managing cash flow, and preparing budgets. They emphasize that hands-on training—such as financial simulations and case studies—is more effective than purely theoretical methods. This training also enables participants to evaluate their financial condition more objectively and design financial strategies tailored to their respective business contexts. Meanwhile, Widjayanti et al. (2025) state that financial management training combined with a behavioral approach can foster more disciplined and responsible financial attitudes. They show that the success of training is not only measured by how well participants understand the material, but also by real changes in financial practices after training. Thus, financial management training is seen not only as an educational activity but as a transformative process that encourages sustainable change in individual and organizational financial management.

In a broader implementation context, the effectiveness of financial management training depends heavily on curriculum design, delivery methods, and the sustainability of post-training mentoring. Zandrato & Octafian (2025) explain that training that includes initial evaluations, training modules tailored to participants' needs, and follow-up in the form of mentoring or coaching yields better results. They illustrate how needs-based training is more effective in addressing participants' real problems than generic training. Ndabala (2025) also emphasizes the importance of a participatory approach to training, in which participants are encouraged to actively discuss, share experiences, and develop financial solutions tailored to their own circumstances. In addition, a study by Laia et al. (2024) shows that training accompanied by mid-term monitoring and evaluation has a more lasting impact on changes in participants' behavior and financial performance. This shows that financial management training should not be a one-time event, but should be designed as part of a continuous learning cycle. With the right approach, this training not only improves technical skills but also strengthens the foundations of a healthy and adaptive financial institution in the long term.

Research Design and Methodology

Research Design

This study uses a Systematic Literature Review (SLR) approach to systematically compile and analyze various previous studies relevant to financial management training for MSMEs. This approach was chosen because it can integrate findings that have been scattered and not analyzed comprehensively. This study offers an original contribution by mapping patterns, trends, and gaps in the design, implementation, and impact of financial training, as reviewed across various scientific publications over the last five years.

Research Subject

The subjects in this study are not individuals but scientific articles published in reputable journals. The articles that are the focus of this study discuss financial management training, particularly for MSMEs. Articles must meet inclusion criteria, such as being published between 2015 and 2025, having full access (full text), and presenting relevant empirical data or findings.

Data Collection Techniques

Data was collected by searching articles using specific keywords in databases such as Scopus, ScienceDirect, SpringerLink, Emerald, and Wiley. The articles found were then filtered through an initial selection process (title and abstract) and then reviewed in full to assess their suitability and relevance.

Data Analysis Techniques

The analysis was conducted using content analysis and thematic synthesis techniques. This process included identifying key themes, grouping findings, and interpreting the meaning of each finding. The goal was to develop a comprehensive understanding of effective, context-specific financial training practices for MSMEs.

Findings and Discussion

Findings

Trends and Thematic Focus of Financial Management Training for MSMEs

Over the past five years—particularly from 2019 to 2024—various studies have shown a growing trend in attention to financial management training as a strategic tool for strengthening MSMEs' capacity. Adda (2020) emphasizes that effective, structured financial management practices, even without formal training, remain the foundation for the growth of micro and small businesses. A systematic literature review shows that the main focus of training is basic financial literacy, cash transaction recording, simple bookkeeping, and cash flow management. Rekha et al. (2024) even stated that financial literacy, which includes knowledge, awareness, and skills, is a major factor in improving access to financing and business performance. This trend is also reflected in the research by Gunawan et al. (2023), which shows that financial literacy training, combined with technology adoption and financial inclusion, positively affects MSME performance across various regions. The training is not only aimed at transferring knowledge but also at building awareness and practical skills for recording daily transactions, understanding cash flow, planning budgets, and making data-driven financial decisions. In addition, Rohayati et al. (2023) have developed learning modules that reflect the real needs of business actors, focusing on simple bookkeeping and easy-to-apply recording techniques. Literature trends also show an increase in attention to medium-term training that relies not only on theory but also on hands-on practice. Beyond financial literacy and behavior, studies such as Zhang Yi Zhai (2025) identify training needs in areas such as bank credit management, cash flow, and taxation. All these trends confirm that financial management training is no longer one-dimensional but is geared toward building the basic capabilities, technical skills, and rational awareness of MSME actors in financial management.

Training Models and Approaches Used in the Context of MSMEs

Financial management training models in previous studies varied greatly, but many leaned toward participatory and hands-on approaches. Anuradha & Ramesh (2020) showed that interactive training—involving simulations, case studies, and group discussions—was more effective in improving employee skills and organizational performance. Edwy et al. (2023) add that training that uses modules tailored to the characteristics of local MSMEs, equipped with simple recording practice guides, yields more relevant and readily adopted learning. On the other hand, several studies, such as Laia et al. (2024), adopt a blended learning approach combining face-to-face sessions and digital modules. This approach allows participants from various regions, including remote areas, to continue receiving training materials and ongoing assistance through online platforms. Post-training mentoring or coaching models are increasingly being implemented, with resource persons or facilitators who understand the situation and needs of local MSMEs. This approach has been proven to help participants maintain behavioral changes and consistently practice financial techniques. The duration of the training also varies: some studies offer an intensive format lasting one to two days. In contrast, others provide continuous training over several weeks or a combination of weekly modules. Facilitators usually come from universities, government agencies, or experienced MSME practitioners. A study by Adda (2020) emphasizes that facilitators with direct experience in MSMEs are better able to build trust and understand the practical constraints of participants. This overall approach reflects that financial management training is equally effective when conducted in a flexible but systematic manner, tailored to the needs and local culture of MSME actors.

Relevance of Training Materials to MSME Needs

The alignment between training materials and the actual needs of MSME entrepreneurs is a key factor in determining the effectiveness of financial management training programs. Successful training materials are those that not only convey theoretical concepts but also address the concrete problems entrepreneurs face in their daily operations. Based on various studies, it was found that the most frequently raised topics in training include manual and digital daily cash recording techniques, preparing simple income statements, separating personal and business finances, cash flow management, managing accounts receivable and payable, and a basic understanding of taxation for MSMEs (Rekha et al., 2024; Zhouyi Zhai, 2025). Edwy et al. (2023) emphasize that the effectiveness of training increases when the language used is simple and the material is based on case studies from the business sector of the training participants, making it easier to understand and apply.

Furthermore, Martono and Febriyanti (2023) emphasize that training materials that combine financial literacy and financial inclusion are becoming increasingly relevant, especially for MSMEs that have begun to engage with formal financial services, such as banking institutions or fintech. It is also important to tailor training content to business characteristics. For example, for culinary businesses, modules on raw material stock recording and profit margin calculation are crucial. At the same time, for service providers, it is more relevant to learn about accounts receivable management and working capital planning. The Molosiwa & Holland (2025) study also emphasizes the importance of a holistic approach, which integrates financial literacy, financial behavior, and internal control into a single training module. This approach has not been widely applied in conventional training, but it has great potential to improve overall financial understanding and practices.

The Role of Technology in Supporting Financial Training

The development of digital technology has brought significant changes to how financial management training is designed and delivered to MSME players. In recent years, financial technology (fintech) and educational technology (edtech) have become important elements in transforming training methods to be more flexible, affordable, and inclusive. Firasati et al. (2024) emphasize that digital innovations, such as cloud-based accounting applications, interactive e-learning platforms, and video-based tutorials, have enabled MSME players to participate in training without being constrained by geographical location. In line with this, Koskelainen et al. (2023) show that digital financial literacy requires a learning approach that combines theory with hands-on practice through digital media to be more relevant and impactful.

Many training programs now utilize smartphone-based recording applications specifically designed for MSME players with limited technological literacy. These applications allow users to record income and expenses, monitor cash flow, and automatically generate financial reports. In addition, the use of digital payment systems such as QRIS and e-wallets is also being taught as part of training due to the increase in digital transactions among MSMEs. However, challenges remain. Studies by Edwy et al. (2023) and Hayati et al. (2025) reveal that low digital literacy remains a serious obstacle, especially for business owners who are not accustomed to using technology.

The Impact of Training on Capacity Building and Performance Improvement of MSMEs

Financial management training has been proven to significantly improve the capacity of MSME actors, both in terms of theoretical knowledge, technical skills, and behavioral changes in managing business finances. Several studies report that well-designed training not only improves participants' financial competence but also strengthens the institutional foundation of MSMEs in risk management and business planning. Anuradha & Ramesh (2020), for example, show that training integrated with internal control systems can strengthen the effectiveness of financial management, thereby improving financial recording, cash flow management, and reporting accountability. This finding is reinforced by Adda (2020), who noted increases in turnover and business resilience following the application of financial practices learned in training, especially amid dynamic market conditions.

In the Indonesian context, Gunawan et al. (2023) found that financial literacy training, combined with an introduction to financial technology and access to financial inclusion services, increased operational efficiency, improved business actors' ability to separate personal and business finances, and expanded opportunities for access to formal financing. Furthermore, Molosiwa and Holland (2025) emphasize that training grounded in literature and empirical evidence tends to yield more consistent productivity gains. Beyond financial aspects, training also affects psychological dimensions: entrepreneurs feel more confident in managing finances, develop short- and long-term financial plans, and have greater courage in establishing relationships with formal financial institutions. Additionally, behavioral changes such as regularly recording transactions, evaluating profit margins, and implementing cost control serve as tangible indicators of the financial behavior transformation occurring post-training.

Gaps, Challenges, and Training Adjustment Needs

Although financial management training has shown positive impacts in many studies, various challenges and gaps still color its implementation, particularly in terms of content relevance, program sustainability, and adaptation to local needs. One of the main challenges is the lack of integration between financial literacy training and other important aspects, such as internal control and long-term business planning. Edwy et al. (2023) state that most training programs remain one-way, instructional in nature, without considering the social, cultural, and psychological dynamics of participants. This results in training materials that are less relevant and potentially unsustainable in the long term. Molosiwa & Holland (2025) also highlight the lack of follow-up after training—most programs end at the initial training without a mechanism for ongoing mentoring or coaching, even though continued coaching is essential to sustain behavioral change.

Anuradha and Ramesh (2020) add that many training programs focus too much on technical aspects, such as accounting and financial reporting, while neglecting behavioral and motivational approaches, which are crucial for microenterprises. Zhouyi Zhai (2025) suggests the need for an in-depth training needs analysis so that the content delivered truly reflects the real problems faced by MSME actors in the field. On the other hand, Koskelainen et al. (2023) emphasize that the digital literacy gap is a serious obstacle, especially in technology-based training, given that some participants are not yet familiar with using digital financial applications. In addition, Adda (2020) stresses the importance of selecting training facilitators who understand the local context, thereby making the learning process more contextual and applicable.

Discussion

This study reveals that financial management training plays a crucial role in improving the capacity and performance of MSME entrepreneurs. These findings were obtained through a synthesis of recent literature indicating that contextual, relevant training can lead to real changes in entrepreneurs' financial behavior. Training that focuses on basic material, such as daily cash recording techniques, the separation of personal and business finances, and the preparation of simple financial reports, has been proven to improve business actors' ability to understand financial flows and make more informed decisions. Another important aspect identified is increased awareness of the importance of systematic debt and accounts receivable management, as well as of tax training tailored to participants' literacy capacity. The results of the study also show that practical, participatory training is more effective at building participants' skills. Training that uses a real-case approach, hands-on practice, and business financial simulations provides a more down-to-earth learning experience that is easy to understand for participants from diverse educational backgrounds and business sectors. This strategy overcomes the limitations of theory-based training, which has been less applicable to MSMEs. In addition, post-training mentoring strengthens the implementation of learned material, leading to more disciplined and strategic financial behavior.

These findings confirm that financial management training not only improves financial literacy but also changes financial behavior. For example, training participants became more disciplined in recording daily transactions, prepared short-term financial plans, and showed increased confidence when interacting with financial institutions. This shows that training also contributes to the psychological and social aspects of business actors, not merely to increasing technical knowledge. The role of technology in training was also an important finding. The adoption of technologies such as digital-based recording applications, cashless payment systems, and e-learning platforms has proven effective in expanding access to training in remote areas. However, the varying levels of digital literacy among MSME actors pose a challenge, making a blended learning approach a recommended alternative. The combination of face-to-face and digital training has been shown to bridge the digital divide and increase training effectiveness. In general, this study builds on the understanding that effective financial management training must meet three main requirements: (1) tailored to the specific needs of MSMEs, (2) based on practical and applicable real-world experiences, and (3) supported by relevant and accessible technology. Without these three elements, training tends to be merely a formality with no real impact on business performance.

The findings of this study are strongly relevant to the Human Capital theory developed by Gary Becker (1964). This theory posits that investment in improving human knowledge, skills, and competencies will directly impact the productivity and economic performance of individuals and organizations. In the context of financial management training for MSMEs, training serves as a tangible human capital investment, where business actors acquire new knowledge, technical skills, and a changed mindset regarding the importance of professional financial management. Training also creates long-term effects, where learning outcomes not only improve the financial performance of businesses in the short term but also build sustainable capacity that enables business actors to navigate market dynamics, understand financial risks, and carry out more strategic business planning. This is in line with the basic principles of Human Capital Theory, which emphasizes the importance of continuous learning as the foundation for increasing productivity and economic sustainability. These findings also affirm that strengthening human resource capacity through training is not only the domain of large companies but also an urgent need for MSMEs that want to survive and thrive amid the complexities of modern business. Therefore, financial management training can be seen as a form of knowledge capitalization that provides significant added value to business performance.

The results of this study reinforce findings from previous studies on the positive impact of training on MSME performance. Anuradha and Ramesh (2020) found that management and internal control training improved the operational effectiveness and financial management of small businesses. Similar findings were also reported by Adda (2020), who noted an increase in business income after the application of training materials in daily business practices. In the Indonesian context, Gunawan et al. (2023) found that financial literacy training, combined with the introduction of technology and financial inclusion, expanded business actors' access to formal financing sources. This study aligns with

these studies, with an additional emphasis on tailoring training content to the business sector and participants' literacy levels. However, this study also identifies a gap that has not been widely discussed in previous studies, namely, the lack of continuity in training programs and the suboptimal integration of financial literacy, financial behavior, and internal control. While previous studies tended to focus on improving literacy or access to technology in isolation, this study emphasizes the importance of a holistic, sustainable approach. In addition, this study also makes a new contribution by highlighting a more comprehensive approach to technology. Whereas previous studies viewed technology only as a training medium, this study highlights its role as a catalyst for transforming the financial behavior of MSMEs. This approach provides a fresh perspective on how technology is not only a tool but also a strategic instrument in improving the efficiency and sustainability of micro and small businesses.

The findings in this study have significant practical implications for various parties involved in MSME empowerment. First, for training providers such as local governments, financial institutions, and non-governmental organizations, training designs need to be tailored to the specific needs of the business sector and the characteristics of the participants. Training should no longer be based on generic modules, but should instead use a needs-based approach that is applicable and easy to implement in daily business activities. Second, providers should adopt an inclusive approach to technology. The use of simple accounting applications, e-learning, and other digital platforms must be tailored to participants' digital literacy capacity. Therefore, integrating a blended learning model is a recommended strategy to ensure training remains adaptive without burdening participants who are not yet familiar with technology. Third, a post-training monitoring and evaluation system needs to be designed to ensure that the material presented is actually applied in business activities. This can be done through continuous mentoring or by providing mentors among MSME practitioners. Finally, the results of this study also provide important input for the formulation of national MSME training policies. The government can use these findings to develop evidence-based training policies, strengthen cross-sector collaboration, and allocate budgets to training programs proven to be effective and to have a long-term impact on the sustainability of MSMEs.

Conclusion

This study aims to examine the dynamics of financial management training for Micro, Small, and Medium Enterprises (MSMEs), focusing on thematic trends, training approaches, material suitability, technology utilization, impact on business capacity, and implementation challenges. The study found that financial training for MSMEs has shifted from a generic model to a more specific and contextual approach, which not only improves financial literacy but also influences the financial behavior of business actors. A needs-based approach, the involvement of technology, and the sustainability of training have proven to be important determinants in the effectiveness of financial training interventions. Overall, this study addresses key questions about how training can be designed and implemented to be relevant and impactful in strengthening the capacity of MSME actors.

The main value of this study lies in its contribution to the development of financial management training theory and practice for the MSME sector. Theoretically, this study enriches the understanding of the integration of financial literacy, financial behavior, and internal control in training design, an area not widely discussed in previous studies. From a practical and managerial perspective, the results of this study provide concrete input for the government, training institutions, and other stakeholders to design evidence-based training programs that are responsive to the needs of the business sector and adaptive to digital challenges. The originality of this study lies in its holistic approach and systematic analysis of the role of technology in financial training, as well as its emphasis on non-financial impacts that have been previously under-explored.

Despite its significant contributions, this study has several limitations. First, the analysis remains qualitative, based on a systematic review, and therefore does not empirically describe the quantitative effects of training. Second, this study did not directly observe the implementation of training in the field and therefore did not capture the contextual dynamics in depth. Third, differences in financial culture between regions were not included as variables in the analysis. Based on these limitations, further research is recommended to use quantitative or mixed-methods approaches to

measure the effectiveness of training programs using field data. Researchers can also explore further the role of local culture and gender in influencing training outcomes. The follow-up research agenda can also focus on developing a digital-based training model integrated with a simple financial reporting system for MSMEs. Thus, future studies are expected to strengthen the empirical basis and expand the scope of application of these findings in various contexts.

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